

EDITOR'S NOTE: Sen. Cardin writes periodic columns for Maryland publications. The following column on the recently passed housing bill may be of interest to your readers. Please contact Susan Sullam at susan_sullam@cardin.senate.gov if you have any questions.

PRECEDENCE: Senator Cardin is a member of five committees: Foreign Relations, Judiciary, Environment and Public Works, Budget and Small Business. His web site is: cardin.senate.gov

THE HOUSING BILL WILL PROVIDE HELP TO AMERICANS WHO ARE FIGHTING TO KEEP THEIR HOMES

By U.S. Senator Benjamin L. Cardin

Despite a veto threat from the President and concerns that Republicans would vote against help for Americans struggling to keep their homes, both the House and the Senate passed the ***Housing and Economic Recovery Act***, H.R. 3221, by overwhelming majorities. The President wisely relented on his veto threat.

Passage of this legislation was badly needed to help struggling Americans and to stabilize our economy. Today, nearly 8,500 new families nationwide face foreclosure every day. During the second quarter of this year, 1 of every 243 households in Maryland was in some stage of foreclosure, giving our state a rank of 16th in the nation in foreclosure rates. This is a 130 percent increase from the second quarter last year.

Enactment of this legislation is critical to the economic health of our economy. In addition to helping stabilize the housing market with greater oversight of Fannie Mae and Freddie Mac, it also will provide important relief to help families remain in their homes.

I am proud that the bill also includes an amendment I championed that will help stimulate the housing market by providing first-time home buyers with a temporary tax credit in the form of a 15-year, no-interest loan up to \$7,500 toward the purchase of a home. It is estimated that 40 percent of the housing market is made up of first-time buyers.

Our housing crisis is a complex and multifaceted problem that requires a comprehensive solution. The bill also provides balanced relief to individuals who believe in the American Dream of homeownership, and will give communities that have been hard hit in this crisis support to help make up for falling property values and lost tax revenues.

Millions of American families have been caught in the "perfect storm" that has helped to sink the U.S. housing market. Many of those who got subprime and adjustable rate mortgages could have qualified for prime mortgages with fixed rates, but were steered to loans with escalating rates that they now cannot afford. The bill provides assistance to help 400,000 families refinance into lower-cost, government-insured mortgages at no cost to taxpayers.

This bill raises the FHA loan limit to create affordable mortgages for moderately priced homes, which will help thousands of Marylanders. Additionally, this legislation provides \$180 million for mortgage counseling to help families stay in their homes. This money will be distributed nationwide through the Neighborhood Reinvestment Corporation (NeighborWorks).

Whole communities and neighborhoods have been affected by this crisis. This bill helps to deal with the cascading effect by providing \$4 billion in emergency assistance through the Community Development Block Grant (CDBG) program to communities hardest hit by foreclosed homes. I am confident that many Maryland communities will take advantage of this provision to stabilize neighborhoods.

This bill also helps veterans by increasing housing and financial counseling that is available through the VA and increases the loan limit on VA Home Loans.

I want to encourage Marylanders who are having trouble paying their mortgages or may have trouble in the future to call the Maryland HOPE foreclosure hotline toll-free at 1-877-462-7555 or visit their website at www.mdhope.org.

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